

An estimate of New Zealand's overseas transactions for the calendar year 1949 is as follows:—

RECEIPTS						£ (N.Z.) Millions.
Exports—						
Butter .. .. .	..	..	..	..	..	34·50
Cheese .. .. .	..	..	..	..	..	12·25
Meat .. .. .	..	..	..	..	..	27·00
Wool .. .. .	..	..	..	..	..	40·00
Other exports ..	..	..	..	..	..	20·00
Other receipts ..	..	..	..	..	..	22·00
Estimated receipts						<u>£155·75</u>

PAYMENTS						
Debt services .. .. .	..	..	..	..	..	3·20
Government imports for Government use .. .. .	..	..	..	..	..	13·50
Government imports for public use .. .. .	..	..	..	..	..	6·70
Other Government requirements .. .. .	..	..	..	..	..	5·15
Licensed imports .. .. .	..	..	..	..	..	110·00
Other payments .. .. .	..	..	..	..	..	25·00
Estimated payments						<u>£163·55</u>

On the basis of licences issued, it is estimated that licensed imports coming into New Zealand this year will reach as high as £110 million.

Exchange appreciation

Costs of production and of living in New Zealand have been forced upwards considerably during and since the war by the increase in the prices of imports, and this difficulty became more pronounced early in 1948. To reduce the rising tendency in prices, it was announced in the financial statement last year that the Government had decided to increase the value of the New Zealand pound to parity with sterling.

Although it is twelve months since the change was made, it is still too early to assess fully all the effects on our economy. The effect on prices of all imported goods was, of course, apparent at once. Prices of some important items were reduced a few days after the exchange-rate was altered. The price of one type of agricultural tractor was reduced from £512 to £424, while the prices of fencing and barbed wire were also reduced within a few weeks. Important items of food and clothing were included in the price-reductions. During the ten months ended 30th June last some £84,500,000 of overseas exchange was expended on licensed imports.